

New government hangs by a thread in South Australia

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Public disaffection with both major parties—Labor and Liberal—has left official politics in South Australia in a somewhat precarious state. Neither the ruling Liberal government nor the Labor opposition were able to garner enough votes in the state election, held on February 9, to form government in their own right. After four weeks of bickering and manoeuvres Labor managed to cement a deal with two right-wing Independents. But it was not until a vote on the floor of parliament on March 5 that the Liberals finally accepted defeat.

In the election, Labor won 23 seats—many of them by a wafer-thin margin—to the Liberals' 20 in the 47-seat House of Representatives. Three Independents and one MP from the rural-based National Party hold the balance of power. Overall, the Liberals' primary vote fell by 0.7 percentage points to 39.7 percent, while Labor's rose by 1.5 percentage points to 36.7 percent—still a near-historic low.

Independent MP Peter Lewis, from the rural east of the state, became the key to Labor's victory. A Liberal MP for 22 years, Lewis resigned in 2000, when he fell out with then Premier John Olsen. Having been returned as an Independent, he drew up a proposed "compact" and embarked on negotiations with both Labor and Liberal to see which party would more fully accommodate his agenda. After four days of bartering he shocked former colleagues by announcing that he would support a Labor government. According to Lewis, he reached the decision just minutes before a scheduled media conference.

The main factor in his decision appears to have been Labor's agreement to appoint him to the plum post of Speaker of the House, which carries with it an array of perks and privileges. Another Independent, Bob Such, also a former Liberal MP, was installed as Deputy

Speaker in return for abstaining on the no-confidence motion on the outgoing Liberal government, allowing Labor to win the vote 23-22.

Lewis clearly relishes his kingmaker role. Enscornced as Speaker, he theatrically denounced the Liberals for having a "born to rule mentality reminiscent of Charles I". But in addition to being erratic, Lewis has a particularly reactionary political agenda. His parliamentary web site emphasises strong support for "individual enterprise" and the promotion of profit. His "Compact for Good Government" requires Labor Premier Mike Rann to hold a Constitutional Convention before the end of the year to consider, among other things, citizen-initiated referenda, a hobbyhorse of the extreme right-wing.

The result is an unstable government beholden to an unpredictable right-wing individual. Lewis has been at pains to point out that he intends to use his casting vote in parliament to wield control over government policy. "I have the responsibility as well as the power to control what happens in South Australia in the next four years," he declared. Adding to the volatility, the Liberals have threatened to challenge Lewis' victory in his seat of Hammond on the basis that he misled the voters. During the campaign Lewis reportedly promised not to help Labor form government.

The election continues a trend seen in every recent Australian election, state and federal—alienation from the major parties and a turn to Independents and a variety of other parties. Between them, Labor and Liberal gained only 76 percent of the vote. The established "third party" of parliamentary politics, the Australian Democrats, suffered an even more dramatic loss of support. In what is considered their home state, the Democrats' primary vote plummeted by more than half, from 16.5 percent to 7.3 percent.

For Democrats' federal leader, Senator Natasha Stott Despoja, the result was a disaster. She won the leadership last year by pledging to attract younger voters and give the party a new, more appealing face. But the Democrats vote has continued to decline sharply since mid-1999, when it provided the federal Howard government with the necessary votes in the Senate to introduce a new Goods and Services Tax.

The total swing to Independents and minor parties was 12.4 percent. The Greens obtained 2.1 percent of the vote, while an assortment of other organisations, including One Nation, South Australia First and the Family First Party won 6.8 percent. Noticeably, the racist and anti-immigrant One Nation party gained no ground, obtaining just 2.4 percent, despite fielding candidates in every electorate.

Labor failed to win enough votes to form a majority government even though the Liberal government had virtually imploded. Last October, Sports Minister Joan Hall and Cabinet Secretary Graham Ingerson were forced to resign amid allegations of budget blowouts and conflicts of interest. Weeks later, Premier John Olsen departed after an inquiry found that he had misled parliament about a \$220 million deal with telecommunication giant Motorola.

In a desperate effort to bolster their vote, the Liberals tried to emulate the Howard government's federal election strategy in November of demonising asylum seekers. Two weeks before election day, Deputy Premier and Welfare Minister Dean Brown alleged that detainees on hunger strike at the Woomera detention camp in the state's mid-north had forced their children to sew their lips together. This was later proven to be completely untrue, just like Howard's claims during the federal campaign that refugees on a leaking boat had thrown their children overboard. But its purpose was to deflect attention, during the course of the election campaign, from the rapidly deepening economic and social decay within the state.

With 1.5 million people in an area the size of Texas, South Australia has the highest rates of poverty in the country. Dependence on social security payments is one-third above the national average. Income levels, adjusted for housing costs, are 11 percent below the national average. Outside Adelaide, the state capital, they are 30 percent below average. Cuts and closures throughout basic industry have produced chronic

unemployment.

In the wake of the elections, media owners have wasted no time in laying down the law to the incoming government, demanding lower business costs and taxes. "It was time for a change of guard after eight years of scandal-prone Liberal rule when corporate welfare failed to avert the exodus of big business," the February 15 *Australian* editorial stated. "The new government must be prodded into devising a bold reform plan to arrest South Australia's alarming slide into the economic doldrums and increasing irrelevance." The *Australian Financial Review* called on the government to "attract investment to the state and promote growth".

The Liberal defeat means that Labor now occupies office in every Australian state and territory for the first time since Federation. But, just as in the other states, South Australian Labor has pledged itself to this pro-business agenda, which will see the further slashing of social spending and public services. After being sworn in, Labor Premier Rann declared his government would be "pro-business and pro-growth," adding, "there is a queue of people from the business community wanting to see us".



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